



**United States Department of Agriculture
Rural Development**

**Summary: Immediate Assistance Being Provided to USDA-RD Housing
In Hurricane Katrina-Affected Areas**

Single Family Homes:

Status of homes at risk:

- USDA has 50,000 low-income direct-loan borrowers in hardest-hit area
- Approximately another 50,000 in recipients of guaranteed loans
- Approximately 10,000 low-income assistance recipients are in coastal areas; displacement expected to be widespread. After low-income multifamily tenants are housed, we will make resources available to these families.

Immediate assistance we are providing:

- Calls are underway to all borrowers we can reach, offering help with insurance companies
- Letters will go out Wednesday, August 31st, offering direct borrowers a "no-questions-asked" moratorium on mortgage payments
- We have sent letters to guaranteed loan lenders asking them to cease foreclosures and offer payment forbearance.
- We are preparing radio PSA to reach those who do not have mail service.

Disaster Funds Available (also, a small amount can be diverted from other states) (Loan Amounts):

- 502 Loans: \$1,771,977.02 (app. 170 loans at \$100,00 each) – Presidentially Declared
- 504 Grant: \$35,357.06 (app. 4.6 grants at \$7,500 each) – Presidentially Declared
- 504 Grant Supplemental Hurricane: \$2,551,303.39 – Restricted to hurricanes/topical storms of 2004
- 504 Loan: \$3,139,734.10 (app. 160 loans at \$20,000 each) – Presidentially Declared
- 504 Loan Supplemental Hurricane: \$15,748,647.52 (Restricted to hurricanes/topical storms of 2004)

Other:

- We've identified 13 REO properties we can make available to FEMA for temporary shelter
- Our servicing office in St. Louis has prepared English and Spanish phone banks, specialized mass-mailing services, expanded service hours, and up to 50 phone/workstations for USDA-RD or other agencies.

Multifamily Homes:

Status of properties at risk:

- 100 multifamily properties are located in the coastal counties. We estimate up 30% uninhabitable. No properties destroyed in Alabama. Expecting at least 800 displaced families.
- If tenant with RA is displaced, they can go to another RRH project and use RA
- Displaced tenants will be offered a letter of priority eligibility ("LOPE"), which moves a displaced tenant, with or without RA, to the top of waiting lists of vacancies in other properties.
- We are arranging for use of vacant seasonal labor housing units as a stop-gap for tenants who were displaced while repairs are made
- Have identified approximately 550 units of vacant multifamily housing within reasonable distance (into coastal Texas).
- Given certain legal authorities, we can provide emergency vouchers by accelerating the Administration-proposed multifamily initiative FY'06 voucher program. Perhaps 5,000 units.

Community Programs:

- Community facilities financed by USDA-RD will be offered a loan payment moratorium.

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Web: <http://www.rurdev.usda.gov>

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